

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement ("Memorandum") by and between the Ranch at Santa Fe Canyon, LLC, a New Mexico limited liability company, formerly known as Santa Fe Canyon Ranch, LLC (hereinafter "LLC"), and Santa Fe County, New Mexico (hereinafter "County") is entered into as of the date it is duly executed by both parties.

RECITALS

WHEREAS, the LLC and County entered into that certain Agreement for Purchase and Sale and Escrow Instructions (the "Purchase Agreement") attached as Exhibit A hereto and in fact closed on the Purchase and Sale of the real property described therein; and

WHEREAS, through the Purchase Agreement, the County and the LLC intended (i) that the only water right that the LLC would convey to the County was the LLC's interest in three acre feet of water permitted by Office of the State Engineer Permit No. RG-41222, issued pursuant to Chapter 72, Article 12, Section 1.1 NMSA 1978 (the "72-12-1.1 Well Water Rights"), and (ii) that no interest in any of the water rights originally perfected by irrigation in the amount of 14.55 acre-feet consumptive use ("the Retained Water Rights"), more particularly described on Exhibit B, was to be conveyed to the County; and

WHEREAS, instead of Permit No. RG-41222, the Purchase Agreement and Warranty Deed delivered to the County pursuant to the Purchase Agreement erroneously referred to Permit No. RG-29242-S, which authorized the well permitted via Permit No. RG-41222 to also be used as a supplemental point of diversion for the Retained Water Rights; and

WHEREAS, in a unilateral effort to clarify the water rights conveyed to the County pursuant to the Purchase Agreement, the LLC executed and filed of record a Corrective Warranty Deed attached hereto as Exhibit C; and

WHEREAS, the LLC and County desire to clarify the water rights conveyed to the County pursuant to the Purchase Agreement through this Memorandum and the Second Corrective Warranty Deed attached hereto as Exhibit D.

AGREEMENT

1. The above recitals are incorporated by this reference as if set forth fully herein.
2. The Corrective Warranty Deed attached as Exhibit C is hereby repudiated and shall be of no force and effect.
3. The parties hereto agree that the County received only the 72-12-1.1 Well Water Rights pursuant to the Purchase Agreement.
4. The County acknowledges and agrees that the Retained Water Rights were never intended to be conveyed to the County under the Purchase Agreement and disclaims any right, title and interest in the Retained Water Rights.
5. At the time the County delivers this duly executed Memorandum to the LLC, the LLC shall deliver to the County a duly executed Second Corrective Warranty Deed in substantially the form attached hereto as Exhibit D, to which shall be attached this Memorandum and Exhibits. The County acknowledges and accepts the Second Corrective Warranty Deed.

SANTA FE COUNTY BOARD OF COUNTY COMMISSIONERS:

By [Signature]
Daniel Mayfield, Chair

ATTEST:

Geraldine Salazar
Geraldine Salazar, County Clerk

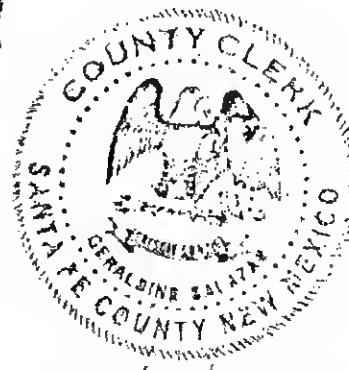
APPROVED AS TO FORM:

[Signature]
Gregory S. Shaffer, County Attorney

RANCH AT SANTA FE CANYON, LLC:
By New Mexico Building
Products, Inc.
Its: Manager

By [Signature]
Ricardo Borrego, President

8-12-2014



ACKNOWLEDGMENTS

STATE OF NEW MEXICO)
COUNTY OF SANTA FE)

MMS The foregoing instrument was acknowledged before me on this 12 day of AUGUST 2014, by ~~Daniel Mayfield~~ as the Chair of the Board of County Commissioners of the County of Santa Fe on behalf of Santa Fe County. * Robert Anaya mms

Marcella M. Salazar
Notary Public

My Commission expires:

8/7/2018

STATE OF NEW MEXICO)
COUNTY OF SANTA FE)

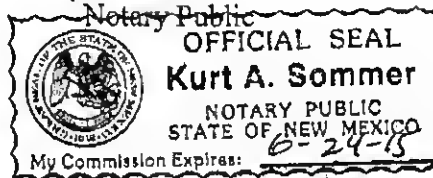


The foregoing instrument was acknowledged before me this 12th day of August, 2014, by Ricardo Borrego as the President of New Mexico Building Products, Inc., a New Mexico corporation and the managing member of Ranch at Santa Fe Canyon, LLC, a New Mexico Limited Liability Company, on behalf of said company.

Kurt A. Sommer

My Commission expires:

6-24-15



COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss

MEMORANDUM OF AGREEMENT
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I Hereby Certify That This Instrument Was Filed for Record On The 14TH Day Of August, 2014 at 09:15:48 AM and Was Duly Recorded as Instrument # 1743520 Of The Records Of Santa Fe County

Deputy *Geraldine Salazar* Witness My Hand And Seal Of Office
Geraldine Salazar
County Clerk, Santa Fe, NM



EXHIBIT A
Agreement for Purchase and Sale and Escrow Instructions

SEC RECORDING 08/14/2014

**AGREEMENT FOR PURCHASE AND SALE
AND ESCROW INSTRUCTIONS**

THIS AGREEMENT FOR PURCHASE AND SALE AND ESCROW INSTRUCTIONS (the "Agreement"), dated for convenience and reference purposes only the 26 day of October, 2009, is made and entered into by and between Ranch at Santa Fe Canyon LLC. ("the Seller"), a New Mexico limited liability company whose address is 3056 Agua Fria, Santa Fe, NM, 87507 and whose primary place of business is Ranch at Santa Fe Canyon Ranch LLC, 3056 Agua Fria Street, Santa Fe, NM, 87507, and the Board of County Commissioners of Santa Fe County, New Mexico, a political subdivision of the State of New Mexico ("the Buyer").

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions hereinafter set forth, Buyer and Seller now agree as follows:

1. **DEFINITIONS.** As used in this Agreement and any exhibits annexed hereto, unless the context otherwise requires or is otherwise herein expressly provided, the following terms shall have the following meanings.

1.1. Cash: Cash shall mean legal tender of the United States, or a cashier's check or wire transfer of current funds into a bank account designated by Seller.

1.2. Closing Date: Unless otherwise extended by written agreement of the parties, the Closing Date shall be no more than fifteen (15) days following the completion of the Inspection Period provided all conditions precedent have been fulfilled.

1.3 Day. The term "day" as used herein means a calendar day and the term "business day" means any day other than a Saturday, Sunday or legal holiday under the laws of the State of New Mexico.

1.4 Deed. A Warranty Deed.

1.5 Earnest Money: The sum of Twenty-Five Thousand dollars (\$25,000), cash, which Buyer shall deposit with the Escrow Agent as provided in paragraph 2.8.

1.6 Effective Date: The date that this Agreement is signed by the last of Seller or Buyer.

1.7 Escrow Agent: Southwestern Title and Escrow, 236 Montezuma Avenue, Santa Fe, 87501.

1.8 Hazardous Materials. Hazardous Materials are defined in Paragraph 6.6.7.

1.9 Inspection Period: The period commencing on the Effective Date and terminating on the sixtieth (60th) day after the Effective Date, during which time Buyer may conduct the Review described in Section 4, below, subject to Buyer's right to extend the Inspection Period by thirty (30) days as provided herein.

SEC RECORDING 08/14/2014
C CLERK RECORDED 10/27/2009

1.10 Materials: All documents and reports concerning the Property to be provided by Seller to Buyer as provided in Paragraph 4.6.

1.11 Property: Tract 4H (141.47 acres) and Tract 4I (140.38 acres) and Tract 4G (188.70 acres) as set forth on the Land Division Created by 140 Ac. Exemption Survey Plat Prepared for Santa Fe Canyon Ranch, recorded in Santa Fe County at Book 614, Page 34, with all of Seller's right, title and interest in and to all easements, tenements, hereditaments, privileges and appurtenances in any way belonging to such land, including, without limitation, any land to the midpoint of the bed of any road, street, highway, alley, or right-of-way in front of, abutting or adjoining such land, any and all infrastructure, structures and other improvements located upon or affixed thereto but excluding any and all water rights appurtenant to the land excepting the water rights as applicable to the domestic well on the premises and permit of the Office of the State Engineer described in domestic well No. RG-29242-S and the personal property owned by Seller which is located upon or used in connection with the ownership or operation of the Property. The Deed transferring property shall exclude all water rights not specifically stated herein. The legal description of the Property is attached hereto as Exhibit A.

1.12 Purchase Price: The amount set forth in Section 2.2 of this Agreement.

1.13 Review: Buyer's inspection of the Property including the review of studies, investigations, reports, lot configuration and all other evaluative investigations or studies deemed advisable by Buyer and to be conducted by Buyer during the Inspection Period.

1.14 Seller: Ranch at Santa Fe Canyon LLC
Attn: Ricardo R. Borrego
3056 Agua Fria Street
Santa Fe, NM 87507

With a copy, which shall not be deemed notice, to

Rosanna C. Vazquez de Gonzales
P.O. Box 2435
Santa Fe, New Mexico 87504
Telephone: 505-820-6400
Facsimile: 505-820-6487

1.15 Buyer: The Board of County Commissioners of Santa Fe County

Attn: Stephen Ross, County Attorney
102 Grant Ave.
P. O. Box 276
Santa Fe, NM 87504-0276
Telephone: 505-986-6279
Facsimile: 505-986-6362

1.16 Title Policy. An Owner's Policy of Title Insurance with endorsements and exceptions acceptable to Buyer.

2 PURCHASE AND SALE OF THE PROPERTY.

2.6 Purchase and Sale. Seller agrees to sell, convey, assign, transfer and deliver to Buyer free and clear of all claims, encumbrances, leases, debts, liabilities, obligations and the like, and Buyer agrees to purchase from Seller the Property, for the price and upon all the terms and conditions set forth herein. Property shall be subject to the existing leases, attached.

2.7 Purchase Price. The Purchase Price is Seven Million Dollars (\$7,000,000), less any proration or closing costs.

2.8 Payment of Earnest Money. Within ten (10) days of the Effective Date, Buyer shall deposit with the Escrow Agent, in good funds, to be held as a good faith deposit, the Earnest Money. The interest on the Earnest Money shall accrue to Buyer's benefit except as provided in Paragraph 5.3.2(b) below.

3 TITLE AND SURVEY.

3.6 Procedure for Approval of Title. Within ten (10) days after the Effective Date of this Agreement, Seller shall deliver to Buyer a commitment for an Owner's Title Insurance Policy showing title to the Property in Seller and proposing to insure the Buyer in the amount of the Purchase Price and issued by the Escrow Agent along with legible copies of all underlying documents referred to therein. The commitment and all matters affecting title to, or use of, the Property shall be subject to Buyer's approval or disapproval in writing on or before twenty days after receipt. If Buyer shall fail to approve the commitment, any exceptions, the survey (as hereinafter defined) and any of the other title matters with respect to the Property by written notice given to Seller on or before the twentieth day after receipt of the Owner's Title Insurance Policy, the condition of title to the Property shall be deemed disapproved by Buyer. If, within twenty days following receipt of the Owner's Title Insurance Policy, Buyer shall disapprove by written notice any particular matter affecting title to the Property or the condition of the property, Seller may, at Seller's discretion, agree to use its best efforts to eliminate promptly (but in no event later than ten (10) days after such notice) such disapproved matter. If Seller does not agree to eliminate such disapproved matter by written notice thereof to Buyer within ten (10) days, Buyer shall have the right to waive its prior disapproval, in which event such previously disapproved matter shall be deemed approved. If Buyer shall fail to waive its prior disapproval before the conclusion of the Inspection Period or the date ten (10) days after the Buyer's notice of disapproval if after the conclusion of the Inspection Period, then (a) such disapproval shall remain in effect; (b) this Agreement and the escrow shall thereupon be terminated; (c) the Escrow Agent shall immediately return the Earnest Money and all interest accrued thereon to Buyer; and (d) the parties shall be relieved of any further obligation to each other with respect to this Agreement and the Property. Both parties agree to execute promptly those documents reasonably requested by Escrow Agent to evidence termination of this Agreement.

3.7 Buyer's Title Policy. Buyer's title to the Property shall be evidenced by an Owner's Policy of Title Insurance, paid for by Seller and reasonably acceptable to Buyer and such other endorsements as are available in New Mexico and as Buyer reasonably requires, for the purchase of the Property insuring Buyer, as owner of fee title to the Property free and clear of all liens, encumbrances, leases, debts, liabilities, obligations and the like, subject only to any matters approved or waived by Buyer.

3.8 Survey. Within thirty (30) days after the Effective Date, Seller shall cause to be furnished to Buyer a Survey, sufficient to cause the Title Company to remove Survey Title Exceptions from the title policy.

4 INSPECTION AND REVIEW.

4.6 Review. Immediately upon the Effective Date, Seller shall make available to Buyer all documents ("the Materials"), presently available to Seller or within their control concerning the Property, including without limitation:

- (a) any leases, easements, reservations, conditions, covenants, restrictions, rights-of-way and other documents, whether recorded or unrecorded and surveys;
- (b) any engineering and architectural plans currently available to Seller, and any other improvement plans, whether or not such plans have been filed with, approved by or signed by any governmental agency or entity with jurisdiction over them, including those relating to installments of public utility facilities and services;
- (c) reports, including soils and hazardous waste reports, any Phase I environmental survey on the property, studies, maps, permits, architectural drawings, engineering studies, and deposits;
- (d) Maintenance records for the period of time during which Seller owned the property, as well as any records of prior maintenance;
- (e) any other documents prepared for or obtained by Seller in connection with the Property.

Buyer has commenced and may continue, at its cost and expense, its own investigation of the Property and the suitability of the Property for Buyer's purposes ("the Review"). Such investigation may include, without limitation a review of "the Materials", a study of the feasibility of Buyer's development or improvement of the Property, and other matters affecting use of the Property, including, without limitation, soil and geological conditions, the presence of toxic or hazardous materials, a Phase I environmental survey, the presence of sewer and utility connections, improvement costs, and any other investigations Buyer may deem necessary or appropriate under the circumstances, in Buyer's sole and absolute discretion. Buyer, in its sole discretion, may terminate the contract during the inspection and the earnest money and interest

which has accrued thereon shall be returned to Buyer promptly. If this Agreement is terminated without any material breach of this Agreement by Seller, Buyer shall return the Materials to the Seller and shall provide to Seller copies of any studies and reports concerning the Property that Buyer has obtained and which Seller requests, provided that, as a condition to such delivery, Seller shall reimburse Buyer for one-half (1/2) of Buyer's out-of-pocket expenses incurred with respect to each of the studies and reports requested by Seller.

4.7 License to Enter. Seller hereby grants to Buyer, its employees and agents, a non-exclusive license to enter onto the Property during the pendency of this Agreement to conduct, at Buyer's expense, the Review during the Inspection Period. Buyer shall not interfere with any tenant's uses of the Property and will enter any leased premises only with the Seller's and any tenant's permission.

4.8 Approval of Review. This purchase shall be subject to Buyer's approval or disapproval, in Buyer's sole and absolute discretion, until 5:00 p.m. (MST) on the date of the termination of the Inspection Period. Buyer shall provide written notice of disapproval to Seller and Escrow Agent on or before the termination of the Inspection Period. In the event Buyer provides written notice of disapproval to Seller and Escrow Agent, then: (a) the Deposit, and any interest earned thereon, shall be immediately returned to Buyer; and (b) the Materials shall be returned to Seller and any requested studies and reports shall be delivered to Seller upon reimbursement by Seller to Buyer as provided in Section 4.6 above; (c) this Agreement shall be deemed terminated and the escrow canceled; and (d) the parties shall be relieved of any further obligations to each other with respect to the purchase and sale of the Property. Buyer's failure to provide written notice of disapproval shall be deemed an approval of the Review. Both parties shall execute promptly those documents reasonably requested by Escrow Agent or the other party to evidence termination of this Agreement.

4.9 Inspection Period, Extension. The day Inspection Period shall begin on the date this Agreement is executed and shall extend sixty (60) days. The Inspection Period may be extended by Buyer upon written notice to Seller at any time prior to the conclusion of the sixty (60) day period for an additional thirty (30) days, in Buyer's sole and absolute discretion, to continue the Review.

5 CONDITIONS TO PERFORMANCE OF AGREEMENT; REMEDIES

5.6 Conditions to Buyer's Obligations. Buyer's obligation to purchase the Property is conditioned upon satisfaction (or waiver in writing by Buyer) of each of the following conditions, even if the failure of any condition occurs after the Inspection Period:

5.6.1 All representations and warranties made by Seller in this Agreement shall be complete and accurate at and as of the Closing Date;

5.6.2 Buyer shall have approved the purchase on or before the termination of the Inspection Period (or the extension thereof);

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CLERK RECORDED 10/27/2005

5.6.3 Seller's delivery of the Deed and such other documents as are sufficient to convey title to the Property to Buyer;

5.6.4 The Escrow Agent has irrevocably committed in writing to issue the Title Policy in form and content required under the commitment approved by Buyer;

5.6.5 The conditions set forth in Paragraph 6.6 below shall have been satisfied;

5.6.6 Seller shall have delivered possession of the Property to Buyer; and

5.6.7 Seller shall have removed all personal property, trash, debris and materials from the Property to the satisfaction of the Buyer prior to the Closing Date.

Immediately prior to closing, Seller shall have recorded irrevocable restrictive covenants on Tract 4F (approximately 143.46 acres, to be further defined as a result of the survey to be completed prior to closing which will be approved by the County) (as set forth on the Plat attached hereto as Exhibit A) establishing a limitation on the density of any development of said tract to no more than one dwelling unit per twelve and one half (12.5) acres. Buyer has no objection to Seller submitting an Application with the Santa Fe County Land Use Department for a lot line adjustment increasing the acreage of Tract 4F from Tract E such that twelve and one half acre tracts can be created.

5.6.8 Buyer and Seller, prior to closing, shall reach agreement regarding the specific location of a fifty (50) foot wide access and utility easement through Tracts 4F for the Buyer, and a fifty (50) foot wide access and utility easement to access all remaining tracts for Seller, and Seller shall have those easements accurately reflected on the survey plat. The access and utility easement shall follow the existing road alignment to the extent feasible. Seller shall convey its interest in the historic access easement from County Road 50F to the property. The parties shall also agree on the locations of existing utilities and shall agree upon the location of additional utility easements across the property for the benefit of Seller provided that said easements are placed on property lines, existing road easements or on Buyer's planned roadways. All agreed upon road and utility easements shall be accurately reflected on the survey plat.

5.7 Conditions to Seller's Obligations. Seller's obligation to sell the Property to Buyer is conditioned upon satisfaction (or waiver in writing by Seller) of each of the following conditions:

5.7.1 All representations and warranties made by Buyer in this Agreement shall be complete and accurate at and as of the Closing Date;

5.7.2 Buyer's delivery of the Earnest Money;

5.7.3 Buyer's delivery of the Purchase Price for the Property and all other funds and documents required of Buyer to comply with its obligations hereunder; and

5.7.4 The conditions set forth in Paragraph 6.7 below.

5.8 Material Breach – Remedies.

5.8.1 Seller's Breach. In the event Seller commits any material breach of this Agreement and fails to cure such material breach within ten (10) days following Buyer's written notice to Seller describing such breach and what cure is deemed necessary, then Buyer, at its option, upon ten (10) days written notice to Seller and Escrow Agent, may elect to: (a) terminate this Agreement in which case Seller shall be obligated to reimburse Buyer for its reasonable and necessary out-of-pocket costs and expenses incurred pursuant to this Agreement, or (b) waive such material breach and proceed to close; provided, however, that if Seller refuses (or is unable due to Seller's deliberate act or omission) to sign and deliver the Deed or to sign and deliver any other document which Seller is required to sign and deliver, then Buyer, in addition to its option to terminate this Agreement or to waive Seller's breach as provided above, shall also have the option to seek specific performance (if the remedy of specific performance is available) of Seller's agreement to sign and deliver the Deed and other documents required to be signed and delivered by Seller at closing; or (c) pursue an action for damages.

If Buyer elects to terminate this Agreement, (a) the escrow shall be cancelled, (b) Buyer shall be entitled to the return of the Earnest Money, with any interest earned thereon prior to disbursement, (c) all documents shall be returned to the parties which deposited them in Escrow, and (d) all title and escrow cancellation fees shall be charged to and paid by Seller.

5.8.2 Buyer's Breach. In the event Buyer fails to deposit the Earnest Money or commits any other material breach of this Agreement, and in each case fails to cure such material breach within ten (10) days following Seller's written notice to Buyer describing such breach and what cure is deemed necessary, then Seller, at its option and as its sole remedy, upon ten (10) days written notice to Buyer and Escrow Agent, may elect either to terminate this Agreement or to waive the material breach and proceed to closing. If Seller elects to terminate this Agreement:

- (a) the escrow shall be canceled;
- (b) the Earnest Money (with interest thereon) shall be paid to the Seller as liquidated damages;
- (c) the Buyer shall return the Materials to the Seller;
- (d) all other documents shall be returned to the parties who deposited them;
- (e) all title and escrow fees shall be paid by Buyer; and
- (f) Buyer shall deliver to Seller all studies and reports without any reimbursement of Buyer's costs and expenses incurred for same.

6 REPRESENTATIONS, WARRANTIES AND MUTUAL COVENANTS.

6.6 Representations and Warranties of Seller.

Seller hereby represents and warrants to Buyer that the following statements are true and correct as of the date hereof and shall be as of the Closing Date, and the truth and accuracy of such statements shall constitute a condition to all of Buyer's obligations under this Agreement:

6.6.1 Seller is an LLC duly organized and validly existing under the laws of the State of New Mexico and has full right, power and authority to enter into this Agreement and all documents contemplated hereby or delivered or to be delivered in connection herewith and to perform its obligations hereunder;

6.6.2 The sale of the Property has been authorized by all necessary action on the part of Seller, and the persons who have executed and delivered this Agreement and all other instruments required under this Agreement on behalf of Seller have been duly authorized to execute the same on behalf of Seller;

6.6.3 Seller is not in breach or violation of, and the execution, delivery and performance of this Agreement will not result in a breach or violation of, any of the provisions of Seller's operating agreement, as amended to the date of this Agreement, or other governing documents or any agreement to which it is a party or otherwise bound, or constitute a violation of any law, rule, regulation or any court order or decree applicable to Seller or result in acceleration of any lien or encumbrance upon the Property or any part thereof, except for such rights of acceleration that may arise under a mortgage upon a conveyance of the Property;

6.6.4 This Agreement is the legal, valid and binding obligation of Seller enforceable against Seller in accordance with its terms, except in each case as such enforceability may be limited by general principles of equity, bankruptcy, insolvency, moratorium and similar laws relating to creditors' rights generally;

6.6.5 There is no action, claim, litigation, proceeding or governmental investigation pending against Seller or the Property or, to Seller's best knowledge, threatened, against Seller which might directly or indirectly, have a material adverse effect upon the use, title, operation or development of the Property;

6.6.6 Seller has received no written notice or, to Seller's best knowledge, oral notice of any proposed or contemplated condemnation of the Property, or any part thereof, and Seller has received no written notice or, to Seller's best knowledge, oral notice of the intent or desire of any governmental or public or private authority or public utility to appropriate or use the Property, or any part thereof;

6.6.7 Neither Seller nor, to Seller's best knowledge, any other person has used, generated, manufactured, stored or disposed of, on or under the Property or any part thereof, or in the immediate vicinity thereof, or transferred to or from the Property or any part thereof, any "Hazardous Materials." For purposes of this Agreement, "Hazardous Materials" are defined as any radioactive materials, hazardous waste, toxic substances, petroleum products or by-products, or any other materials or substances which under federal, state or local statute, law, ordinance, governmental regulation or rule would require Buyer's removal, remediation or clean up,

including, without limitation, substances defined as "extremely hazardous substances," "hazardous substances," "hazardous materials," "hazardous waste," or "toxic substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §9601, *et seq.*; the Emergency Planning and Community Right-To-Know Act, 42 U.S.C. §§11001-11050; the Hazardous Materials Transportation Act, 49 U.S.C. §1801, *et seq.*; the Resources Conservation and Recover Act, 42 U.S.C. §6901, *et seq.*; and in the regulations adopted and publications promulgated pursuant to said laws; together with any substance, product, waste or other material of any kind or nature whatsoever which may give rise to liability under any federal, state or local law, ordinance, rule or regulation relating thereto, or under any statutory or common law theory based on negligence, trespass, intentional tort, nuisance or strict liability, or under any reported decision of any federal or state court;

6.6.8 There are no leases, oral or written, or claims to occupy the Property apart from those disclosed in the leases attached hereto.

6.6.9 Seller shall deliver a warranty deed sufficient to convey good marketable title to the property in fee simple, free and clear of all liens and encumbrances.

6.7 Representations and Warranties by Buyer. Buyer hereby represents and warrants to Seller that the following statements are true and correct as of the date hereof and shall be as of the Closing Date, and the truth and accuracy of all such statements shall constitute a condition to all of Seller's obligations under this Agreement:

6.7.1 Buyer is a political subdivision of the State of New Mexico and its Board of County Commissioners has authorized the County Manager to enter into this Agreement and all documents contemplated hereby or delivered or to be delivered in connection herewith, and to perform its obligations hereunder;

6.7.2 Buyer has full right, power and authority to enter into this Agreement and all documents contemplated hereby or delivered or to be delivered in connection herewith, and to perform its obligations hereunder; and

6.7.3 The execution and delivery of this Agreement and consummation of the sale contemplated hereby will not conflict with any agreement to which Buyer is bound, or result in any breach or violation of any law, rule, regulation or any court order or decree applicable to Buyer.

6.8 Mutual Covenants. Following the mutual execution of this Agreement:

6.8.1 Seller and Buyer shall deliver to each other and Escrow Agent any documents reasonably requested by Escrow Agent evidencing that each has the authority to enter into this Agreement and to consummate the transactions contemplated hereby.

6.8.2 Seller shall:

6.8.2.1 Maintain the Property and all portions thereof in its current condition, reasonable wear and tear excepted.

6.8.2.2 Enter into no new leases, contracts, agreements, encumbrances, or instruments or make any material modifications to any existing leases, contracts, agreements, encumbrances or instruments which, in either case may: (a) encumber, affect the ownership, use or development of the Property, or (b) by its terms would not be fully performed before the Closing Date, without the prior written consent of Buyer: and

6.8.2.3 Not use, generate, manufacture, store or dispose of, on or under the Property or any part thereof, or transfer to or from the Property or any part thereof, any Hazardous Materials.

6.9 Survival of Representations and Warranties. The representations and warranties of the Seller set forth in Paragraph 6.6 and the representations and warranties of the Buyer set forth in Paragraph 6.7 shall survive the Closing Date for the full period of the applicable statute of limitations.

7 ESCROW.

7.6 Agreement Constitutes Escrow Instructions. This Agreement shall constitute escrow instructions with respect to the Property and a copy hereof shall be deposited with the Escrow Agent for that purpose as provided in Paragraph 7.7 below. The Escrow Agent shall, promptly upon receipt, place the Earnest Money required pursuant to paragraph 1.4, in an interest bearing account. The interest thus derived shall become part of the Earnest Money and shall be paid to the party entitled to the Earnest Money in accordance with the terms of this Agreement.

7.7 Escrow Agent. The escrow for the purchase and sale of the Property hereunder shall be opened by depositing an executed copy or executed counterparts of this Agreement with the Escrow Agent, and shall occur not later than three (3) business days following the execution of this Agreement by both parties. This Agreement shall be considered as the escrow instructions between the parties, with such further instructions as Escrow Agent requires in order to clarify the duties and responsibilities of Escrow Agent. In the event of a conflict between the provisions of this Agreement and the provisions of such general conditions, the provisions of this Agreement shall control.

7.8 Closing Date. The Closing Date shall be no more than fifteen (15) days following the Inspection Period providing all conditions precedent have been satisfied.

7.9 Costs of Escrow.

7.9.1 Seller shall pay:

- (a) one-half (1/2) of the escrow fees,

- (b) one-half (1/2) the cost of all recording fees,
- (c) the cost of the Survey,
- (d) the cost of a standard owner's title policy, and
- (e) the cost of any other obligations of Seller hereunder.

7.9.2 Buyer shall pay:

- (a) one-half (1/2) of the escrow fees,
- (b) one-half (1/2) the cost of all recording fees, and
- (c) additional title insurance premium for deletion of standard exceptions 1-4 and 6-7, and
- (d) the cost of any other obligations of Buyer hereunder.

7.5 Prorations. Seller shall pay the real property transfer tax and special additional mortgage recording tax, if applicable. The following, as applicable, will be prorated and adjusted between Seller and Buyer as of the date of closing, excluding any delinquent items, interest and penalties: current taxes computed on a fiscal year basis, rent payments, fuel oil on the property, water charges pure water charges, sewer charges, and current common charges or assessments. If there is a water meter at the property, Seller shall furnish an actual reading on the date of closing and the sewer rent shall be apportioned on the basis of such reading.

8 **INDEMNIFICATION.**

8.6 Brokers: Indemnification. Seller shall be solely responsible for satisfying every kind of fee, commission, compensation and remuneration, whether related or unrelated to brokerage, to any party claiming by, through or under Seller. Seller shall indemnify, defend and hold harmless Buyer from any party claiming by, through or under Seller relating to the purchase and sale of the Property.

8.7 Other Indemnity. Seller hereby agrees to indemnify, defend and hold Buyer harmless from any obligation, cost, expense, liability and/or claim by third parties which Buyer may suffer arising out of Seller's acts or omissions before the Closing Date regarding the Property or any part thereof.

9 **INCORPORATION OF EXHIBITS.**

All exhibits attached hereto and referred to herein are incorporated in this Agreement as though fully set forth herein.

10 **NOTICES.**

All notices, requests, demands and other communications given, or required to be given, hereunder shall be in writing and shall be given (a) by personal delivery with a receipted copy of such delivery, (b) by certified or registered United States mail, return receipt requested, postage prepaid, or (c) by facsimile transmission with an original mailed by first class mail, postage prepaid, to the following addresses:

If to Buyer: The County of Santa Fe
 102 Grant Ave.
 P.O. Box 276
 Santa Fe, NM 87504-0276
 Attn: Stephen Ross
 Telephone: 505-986-6279
 Facsimile: 505-986-6362

If to Seller: New Mexico Building Products Inc., Manager
 C/O Ricardo R. Borrego
 Ranch at Santa Fe Canyon, LLC
 3056 Agua Fria,
 Santa Fe, NM, 87507

With a copy, which shall not be deemed notice, to:

Rosanna C. Vazquez de Gonzales
P.O. Box 2435
Santa Fe, NM 87504
Telephone: 505-820-6400
Facsimile: 505-820-6487

Any such notice sent by registered or certified mail, return receipt requested, shall be deemed to have been duly given and received seventy-two (72) hours after the same is so addressed and mailed with postage prepaid. Notice sent by recognized overnight delivery service shall be effective only upon delivery to the office of the addressee set forth above, and any such notice delivered at a time outside of normal business hours shall be deemed effective at the opening of business on the next business day. Notice may not be sent by facsimile. Any party may change its address for purposes of this paragraph by giving notice to the other party and to Escrow Holder as herein provided. Delivery of any copies as provided herein shall not constitute delivery of notice hereunder.

11 ASSIGNMENT.

This Agreement shall be binding upon the parties hereto and their respective heirs, successors or representatives; provided, however, that this Agreement may not be assigned by either party without the prior express written consent of the other party.

12 ENTIRE AGREEMENT.

This Agreement contains all of the agreements of the parties hereto with respect to the matters contained herein and all prior or contemporaneous agreements or understandings, oral or written, pertaining to any such matters are merged herein and shall not be effective for any purpose.

13 WAIVER.

Failure of either party at any time or times to require performance of any of the provisions of this Agreement shall in no way affect its right to enforce the same, and a waiver by either party of any breach of any of the provisions of this Agreement shall not be construed to be a waiver by such party of any prior or succeeding breach of such provision or a waiver by such party of any breach of any other provision.

14 HEADINGS AND CONSTRUCTION.

The headings of this Agreement are for purposes of reference only and shall not limit or define the meaning of the provisions of this Agreement. This Agreement has been negotiated at arm's length and between persons (or their representatives) sophisticated and knowledgeable in the matters dealt with herein. Accordingly, any rule of law or legal decision that would require interpretation of any ambiguities contained herein against the party that has drafted it is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the purpose of the parties and this document.

15 COUNTERPARTS.

This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument. This Agreement shall be binding upon the parties only when a copy or a counterpart has been signed by each party and delivered to each other party. Signatures, copies and counterparts may be transmitted by mail, facsimile or overnight courier service and when so transmitted are as effective as if a manually-signed, original document had been delivered.

16 APPLICABLE LAW, JURISDICTION AND VENUE.

This Agreement shall, in all respects, be governed by and construed according to the laws of the State of New Mexico applicable to agreements executed and to be wholly performed therein.

17 **FURTHER DOCUMENTS.**

Each of the parties hereto shall, on and after the Closing Date, execute and delivery any and all additional papers, documents, instructions, assignments and other instruments, and shall do any and all acts and things reasonably necessary in connection with the performance of its obligations hereunder and to carry out the intent of the parties hereto.

18 **SEVERABILITY.**

Nothing contained herein shall be construed so as to require the commission of any act contrary to law, and wherever there is any conflict between any provision contained herein and any present or future statute, law, ordinance or regulation contrary to which the parties have no legal right to contract, the latter shall prevail but the provision hereof which is affected shall be curtailed and limited only to the extent necessary to bring it within the requirements of the law and all other provisions hereof shall remain in full force and effect.

19 **NO OBLIGATION TO THIRD PARTIES; NO FIDUCIARY RELATIONSHIP OR DUTIES.**

The negotiation, execution, delivery and performance of this Agreement shall not be deemed to confer any rights upon, directly, indirectly or by way of subrogation, to obligate either of the parties hereto to any person or entity other than each other, or to create any agency, partnership, joint venture, trustee or other fiduciary relationship or fiduciary duties between Buyer and Seller.

20 **CONSTRUCTION.**

For all purposes of interpretation or construction of this Agreement, the singular shall include the plural, the plural shall include the singular, and the neuter shall include the masculine and feminine. As used in this Agreement, the term "and/or" means one or the other or both, or any one or all, or any combination of the things or persons in connection with which the words are used; the term "person" includes individuals, partnerships, limited liability companies, corporations and other entities of any kind or nature; the terms "herein," "hereof" and "hereunder" refer to this Agreement in its entirety and are not limited to any specific provisions; and the term "including" means including, without any implied limitation.

21 **DATES OF PERFORMANCE.**

If under this Agreement the date upon which an event is scheduled to occur or the last date on which a party's performance of any obligation is required falls on a nonbusiness day, then such date shall be deemed to be the immediately following business day.

22 TIME OF ESSENCE.

Time is of the essence hereof and of all the terms, provisions, covenants and conditions hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

SELLER:

By: *Ricardo Borrego*
PRESIDENT, NMSP

Title: MANAGER

Date: 10/26/09

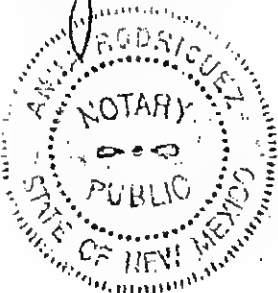
Acknowledgement

This instrument was acknowledged before me this 26th day of October, 2009, by Ricardo Borrego President of Ranch at Santa Fe Canyon LLC.

Anna Rodriguez
Notary Public

My Commission Expires:

9 June 2010



CLERK RECORDED 10/27/2009
SFC RECORDING 08/14/2014

BUYER:

Santa Fe County, New Mexico

By: [Signature]
Roman Abeyta, County Manager

Approved as to form:

[Signature]
Stephen C. Ross, County Attorney

Attest:

[Signature]
Valerie Espinoza, County Clerk

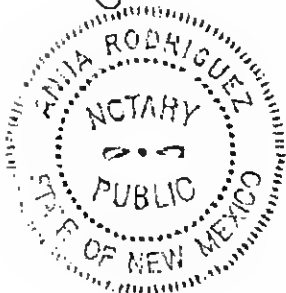
Acknowledgement

This instrument was acknowledged before me this 26th day of October, 2009, by
Roman Abeyta, County Manager of Ranch at Santa Fe Canyon LLC,
County of Santa Fe

[Signature]
Notary Public

My Commission Expires:

9 June 2010



COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss

AGREEMENT (NC)
PAGES: 16

I Hereby Certify That This Instrument Was Filed for
Record On The 27TH Day Of October, 2009 at 08:54:51 AM
And Was Duly Recorded as Instrument # 1581221
Of The Records Of Santa Fe County

Witness My Hand And Seal Of Office

Deputy [Signature] Valerie Espinoza
County Clerk, Santa Fe, NM

SCANNED
DATE: 10/27/09

EXHIBIT B
Order Partially Denying Motion and Reinstating Decision with Revisions

SFC RECORDING 08/14/2014

2009 FEB -5 PM 2:15

BEFORE THE NEW MEXICO STATE ENGINEER

OFFICE OF THE
STATE ENGINEER
HEARINGS UNIT
SANTA FE, NM

IN THE MATTER OF THE APPLICATION BY)	
SANTA FE CANYON RANCH LLC FOR PERMIT)	Hearing No. 07-038
FOR SUPPLEMENTAL WELLS AND TO)	
CHANGE PLACE AND PURPOSE OF USE OF)	OSE File No. RG-29242 and
GROUNDWATER WITHIN THE RIO GRANDE)	RG-29242-S et al
UNDERGROUND WATER BASIN, NM)	

**ORDER PARTIALLY DENYING MOTION
AND REINSTATING DECISION WITH REVISIONS**

WHEREAS the Applicant filed a Motion to Set Aside State Engineer's Decision, for Clarification and/or Reconsideration of One Condition of Approval, For Entry of the Stipulated Order, and Request for Oral Argument ("Motion") on January 14, 2009, and

WHEREAS the State Engineer issued an Order Setting Aside Decision on January 15, 2009, and

WHEREAS the State Engineer has considered that portion of the Motion that requests clarification and/or reconsideration of one condition of approval, the entry of the stipulated order and oral argument,

NOW THEREFORE the State Engineer reinstates his decision adopting the Report and Recommendation of the Hearing Examiner with the conditions of approval revised as reflected below. The part of the Motion seeking adoption and entry of the stipulated order and oral argument on the condition of approval is denied.

ORDER

IT IS HEREBY ORDERED that Application No. RG-29242 and RG-29242-S et al., for permit for supplemental wells and to change place and purpose of use of groundwater in the Rio Grande Underground Water Basin is approved, in part, subject to conditions, as follows:

SFC RECORDING 08/14/2014

Permittee: Santa Fe Canyon Ranch, LLC.
Permit No.: RG-29242 and RG-29242-S et al.
Priority: Prior to January 31, 1876
Purpose of Use: Domestic, livestock, irrigation, municipal, industrial, commercial, and subdivision
Source of Water: Groundwater from the Rio Grande Underground Water Basin
Amount of Water: 29.1 acre-feet per year, diversion--When used for irrigation on 9.7 acres located within the NE ¼ SW ¼ NE ¼ and the NW ¼ SE ¼ NE ¼ of Section 12, T15N, R7E, NMPM;
14.55 acre-feet per year, diversion and consumptive irrigation requirement--When used for domestic, livestock, irrigation, municipal, industrial, commercial, and subdivision purposes on 1,316 acres within Sections 10, 11, 12, T15N, R7E and Section 7, T15N, R8E, NMPM;
14.55 acre-feet per year, consumptive use, under either scenario
Place of Use: 1,316 acres within Sections 10, 11, 12, T15N, R7E and Section 7, T15N, R8E
Well Nos. & Points of Diversion:

Well Numbers & Locations
(In Meters, within UTM Zone 13, NAD 27)

Well Number	X=	Y=
<i>Existing Wells:</i>		
RG-29242	395,902	3,933,871
RG-29242-S	396,255	3,933,820

RG-61187	394,196	3,934,232
<i>Proposed Wells:</i>		
RG-29242-S-2	397,200	3,934,200
RG-29242-S-3	394,700	3,934,150
RG-29242-S-4	393,822	3,934,091
RG-29242-S-5	394,700	3,934,150

Conditions of Approval

1. Permit RG-29242 and RG-29242-S et al., shall not be exercised to the detriment of valid existing water rights or in a manner that is contrary to the conservation of water within the state or detrimental to the public welfare of the State of New Mexico.
2. Permittee may continue to divert 29.1 AFY and consume 14.55 AFY from well nos. RG-29242 and RG-29242-S for irrigation purposes on the 9.7 acres of land set forth in License RG-29242 and RG-29242-S, subject to all the following conditions of approval.
3. When Permittee commences use of well nos. RG-29242 and RG-29242-S et al., for purposes other than irrigation purposes on the 9.7 acres of land set forth in License RG-29242 and RG-29242-S; Condition of Approval No. 2 shall no longer apply, total combined diversion of water shall be limited to 14.55 AFY, pumping from well RG-29242-S-2 shall be limited to 0.5 AFY, and the permit shall be subject to the provisions of Condition of Approval No. 6.
4. The Permittee shall provide written notification to the OSE at least ninety (90) days prior to when a change from strictly irrigation of the described 9.7 acres to domestic, livestock irrigation, municipal, industrial, and subdivision purposes will occur. Use of water from the permitted wells for other than irrigation purposes without prior written notification shall constitute a violation of these conditions of approval and may result in cancellation of this permit.
5. The Permittee shall provide the OSE with at least thirty (30) days notice prior to drilling any of the wells permitted herein. Proof of Completion of Works for well nos. RG-29242-S-2, RG-29242-S-3, RG-29242-S-4, and RG-29242-S-5 shall be filed within one year of approval of completion of each well.
6. Except when Permittee is exercising its permit as described in Condition of Approval No. 2, the total annual combined diversion of groundwater from all wells under this permit shall not exceed 14.55 AFY. This quantity may be increased to a quantity, accepted by the State Engineer, to have actually been returned to the


aquifer by direct injection or to the Rio Grande stream system at a location and in a manner acceptable to the State Engineer, with a maximum diversion of water not to exceed 32.33 AFY. The Permittee must provide a return flow plan acceptable to the State Engineer which provides a method for demonstrating, through actual measurement, as provided in Condition of Approval No. 7 below, the quantity of return flow that actually reaches the aquifer or the Rio Grande stream system. If that return flow plan is submitted within the time frame provided in Condition of Approval No. 8 below, OSE review and acceptance of a return flow plan will be in accordance with applicable regulations, policies or guidelines in effect at the time of hearing of this matter, September 23, 2008. If any return flow plan is submitted after the time frame provided in Condition of Approval No. 8 below, it shall be considered a new application for return flow credit and OSE review and acceptance of the plan will be in accordance with applicable regulations, policies or guidelines in effect when the plan is submitted. Return flow credit, if any, shall be granted and administered on an annual basis for that quantity shown to have been returned to the aquifer or to the Rio Grande stream system. Request for evaluation of return flow shall be inclusive of actual formal written notice to the Protestants or their successors-in-interest, and a right by those parties to a hearing pursuant to NMSA § 72-2-16. Diversions shall not exceed 14.55 AFY unless and until the State Engineer accepts a return flow plan.

7. Prior to filing an updated return flow plan; Santa Fe Canyon Ranch LLC and the WRD shall jointly develop a protocol for collection of data considered necessary for quantification of return flow.
8. An acceptable return flow plan for permit RG-29242 and RG-29242-S et al shall be due within four (4) years of receipt by the OSE of written notification described in Condition of Approval No. 4.
9. No water shall be diverted from well nos. RG-29242 and RG-29242-S et al., under this permit until such time as each well is equipped with a totalizing meter of a type and at a location approved by and installed in a manner acceptable to the State Engineer. The Permittee shall provide in writing, the make, model, serial number, date of installation, initial reading, units, and dates of recalibration of each meter and any replacement meter used to measure the diversion of water under this permit. At a minimum, all meters shall be calibrated in accordance with Industry standards annually and the results shall be submitted to the OSE, District VI office.
10. Records of the amount of water diverted from well nos. RG-29242 and RG-29242-S et al., shall be submitted to the OSE on or before the 10th day of January, April, July and October of each year for the preceding three (3) month period.
11. The Permittee shall utilize the highest and best technology practically available to

ensure conservation of water to the maximum extent possible.

12. Proof of Application of Water to Beneficial Use for 14.55 AFY used for purposes other than irrigation of the 9.7 acres of land set forth in license RG-29242 and RG-29242-S shall be due within four (4) years of receipt by the OSE of written notification described in Condition of Approval No. 4.
13. The State Engineer shall retain jurisdiction over this permit for the purpose of ensuring that exercise of the Permit does not violate the forgoing conditions.

DONE THIS 4th DAY OF February, 2009

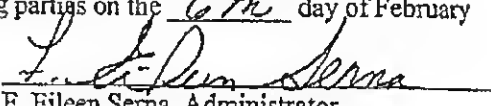

 JOHN R. D'ANTONIO, JR., P.E.
 NEW MEXICO STATE ENGINEER



PARTIES ENTITLED TO NOTICE

HU No. 07-038

I certify that a copy of the foregoing Order Partially Denying Motion and Reinstating Decision with Revisions was mailed to the following parties on the 6th day of February 2009.


F. Eileen Serna, Administrator

WATER RIGHTS DIVISION

Daniel Rubin, Esq.
Christopher L. Lindeen, Esq.
OSE, Administrative Litigation Unit
P.O. Box 25102
Santa Fe, NM 87504-5102
(505) 827-6123; Fax (505) 827-3520

APPLICANT

James Brockmann, Esq.
Stein & Brockmann, P.A.
P.O. Box 5250
Santa Fe, NM 87502-5250
Attorney for: Santa Fe Canyon Ranch, LLC

PROTESTANTS

Brian Egolf, Esq.
Egolf Law Firm LLC
208 Griffin Street
Santa Fe, NM 87501
(505) 670-1488 Fax (505) 520-8345
Attorney for: Guicú Ditch Association

Eugene and Holly P. Bostwick
20 Cielo del Oeste
Santa Fe, NM 87507-3737

La Bajada Community Ditch Inc.
c/o Alonzo Gallegos, Chairman
P.O. Box 1391
Pena Blanca, NM 87041

Acequia de La Cienega
Grey Howell - Commissioner
73-A Camino Capilla Vieja
Santa Fe, NM 87507

SFC RECORDING 08/14/2014

EXHIBIT C
Corrective Warranty Deed

SFC RECORDING 08/14/2014

CORRECTIVE WARRANTY DEED

This Corrective Warranty Deed is being recorded to replace that Warranty Deed recorded November 25, 2009 as Instrument No. 1584321, records of Santa Fe County, New Mexico.

Ranch at Santa Fe Canyon, LLC, a New Mexico limited liability company, f/k/a Santa Fe Canyon Ranch, LLC, a New Mexico limited liability company ("Grantor"), for consideration paid, grants to the Board of County Commissioners of Santa Fe County, a political subdivision of the State of New Mexico ("Grantee"), whose address is: 102 Grant Avenue, Santa Fe New Mexico, 87504, the following described real property located in Santa Fe County, New Mexico:

Tracts 4G, 4H, and 4I as shown on Boundary and Easement Plat of Lots 4G, 4H and 4I, within Ranch at Santa Fe Canyon, LLC 140 Ac., Exemption Survey Plat recorded in Plat Book 614, Page 034, Sections 10, 11, 13 & 13, T15N, R7E, & Sections 5, 6 and 7, T15N, R8E, NMPM, Mesita and Sito de Juana Lopez Grants, Santa Fe County, New Mexico" recorded as Instrument No. 1584167, in Plat Book 710, Page 40.

Specifically excluding all Water Rights, which were never intended to be conveyed in the prior Deed referenced above, pursuant to the Purchase Agreement between Grantor and Grantee.

Subject to: Easements, covenants, reservations and restrictions of record, if any, with warranty covenants.

Dated: June 27, 2014

Ranch at Santa Fe Canyon, LLC

By: New Mexico Building Products, LLC,
Manager

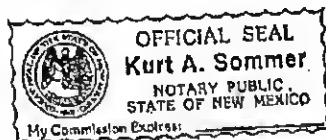
By: [Signature]
Ricardo Borrego, President

ACKNOWLEDGMENT

STATE OF NEW MEXICO

COUNTY OF SANTA FE

This instrument was acknowledged before me on June 27, 2014 by Ricardo Borrego, President of New Mexico Building Products, Inc., Manager of Ranch at Santa Fe Canyon, LLC.



[Signature]
Notary Public

My commission expires: 6-24-15

SFC CLERK RECORDED 07/08/2014

SFC RECORDING 08/14/2014

COUNTY OF SANTA FE
STATE OF NEW MEXICO

)
) ss

CORRECTED WARRANTY DEE
PAGES: 2

I Hereby Certify That This Instrument Was Filed for
Record On The 8TH Day Of July, 2014 at 03:19:13 PM
and Was Duly Recorded as Instrument # 1740979
of The Records Of Santa Fe County

Witness My Hand And Seal Of Office
Geraldine Salazar
County Clerk, Santa Fe, NM

Deputy

[Signature]



SFC RECORDING 08/14/2014

EXHIBIT D
Form of Second Corrective Warranty Deed

SFC RECORDING 08/14/2014

SECOND CORRECTIVE WARRANTY DEED

This Second Corrective Warranty Deed is being recorded to replace that Warranty Deed recorded November 25, 2009, as Instrument No. 1584321, records of Santa Fe County, New Mexico, and that Corrective Warranty Deed recorded July 8, 2014, as Instrument No. 1740979, records of Santa Fe County, New Mexico.

Ranch at Santa Fe Canyon, LLC, a New Mexico limited liability company, f/k/a Santa Fe Canyon Ranch, LLC, a New Mexico limited liability company ("Grantor"), for consideration paid, grants to the Board of County Commissioners of Santa Fe County, a political subdivision of the State of New Mexico ("Grantee"), whose address is 102 Grant Avenue, Santa Fe New Mexico 87504, the following described real property located in Santa Fe County, New Mexico:

Tracts 4G, 4H, and 4I as shown on "Boundary and Easement Plat of Lots 4G, 4H and 4I within RANCH AT SANTA FE CANYON LLC 140 AC. EXEMPTION SURVEY PLAT RECORDED IN PLAT BOOK 614, PAGE 034, SECTIONS 10, 11, 12, & 13 T15N, R7E & SECTIONS 5, 6 & 7 T15N, R8E, NMPM, MESITA & SITO DE JUANA LOPEZ GRANTS, SANTA FE COUNTY NEW MEXICO", recorded as Instrument No. 1584167, in Plat Book 710, Page 040.

Specifically excluding all water rights except Grantor's right, title, and interest in and to the three acre feet of domestic water rights permitted by Office of the State Engineer Permit No. RG-41222.

And subject to all Easements of record, with warranty covenants.

This Second Corrective Warranty Deed is granted with reference to that certain Memorandum of Agreement by and between the Grantor and Santa Fe County attached hereto as Exhibit A.

Dated: _____, 2014

Ranch at Santa Fe Canyon, LLC

By: New Mexico Building Products, LLC,
Manager

By: _____
Ricardo Borrego, President

ACKNOWLEDGMENT

STATE OF NEW MEXICO

COUNTY OF SANTA FE

This instrument was acknowledged before me on _____, 2014 by Ricardo Borrego, President of New Mexico Building Products, Inc., Manager of Ranch at Santa Fe Canyon, LLC.

Notary Public

My commission expires: _____

SEC RECORDING 08/14/2014